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17 MAR 1960

The Honorable Maurice H. Stans
Director
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Stans:

Receipt is acknowledged of your 4 December 1959 letter concerning the Fiscal Year 1961 Budget Estimates for the Central Intelligence Agency. The provisions of this letter are consistent with the understanding reached with your representatives on 30 November 1959. However, in order that there will be no ambiguity regarding the particular for Political and Psychological Programs, I should like to set forth my further understanding with regard to it, which is as follows:

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These funds will be made available for budgeted and planned PP Operations, provided, however, that if as a result of the study of the total U. S. Political and Psychological Programs by a special Presidential committee the Executive Branch decides to make reductions, any such reductions that can be made effective in Fiscal Year 1961 with respect to CIA PP Operations will be deducted from this special allocation and revert to savings.

The nature of the projects most likely to be affected by any approved reductions is such that the level of operations for the ensuing Fiscal Year beginning 1 July 1960 must be tentatively established by about the preceding January. Since these projects operate largely as commercial enterprises, commitments must of necessity be made well before the beginning of the Government Fiscal Year. As a practical matter it is, in fact, very difficult to make any major cutbacks after budgetary planning ceilings have been provided to the various projects, and I think that it would be virtually impossible to effect any savings from Fiscal Year 1961 funds in the absence of specific guidance prior to 1 May 1960. We would be glad to review the situation with you at any time prior to that date if you so desire.

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Sincerely,

SIGNED

Allen W. Dulles
Director

CONCUR:

L. K. White
Deputy Director
(Support)

14 March 1960